



# State of Utah

*School and Institutional*  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

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801-538-5100  
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5/1001/044

December 29, 1997

John D. Hechtle  
P.O. Box 35  
Orem, Utah 84059

Re: Mining Plan, Gemstone/Fossil Lease ML-46957, NW $\frac{1}{4}$ NE $\frac{1}{4}$ , Section 16, T. 27 S., R.9 W.

Dear Mr. Hechtle:

The School and Institutional Trust Lands Administration is in receipt of your mining plan, dated December 2, 1997.

Before your plan can be approved the Trust Lands Administration will require the following additional information:

- 1) The approximate depth and dimension of planned excavations.
- 2) The approximate depth of top soil and overburden to be removed and plans to separately segregate top soil for use in future reclamation.
- 3) Plan for measuring, weighing and accounting for the quantity of the leased substance mined.
- 4) A plan for reclamation of all proposed disturbances. Enclosed is an outline of information that should be included as part of the reclamation plan (See page 2). Even though large portions of the land included in your proposed mining plan have been previously disturbed there are portions of those lands that have not been previously disturbed. Significant alteration of previously disturbed lands and newly disturbed lands will require reclamation and a bond to insure reclamation. It is estimated that the proposed area of disturbance is approximately one (1) acre. By rule the Trust Lands Administration requires a reclamation bond in the amount of \$ 5,000 per acre.

The Administration rules require a surety bond be posted to insure reclamation as well as compliance with all other lease terms.

Bonds may be accepted in any of the following forms:

- a) Surety bond with an approved corporate surety registered in the state of Utah.
- b) Cash deposit.
- c) Certificate of deposit in the name of the School and Institutional Trust Lands Administration and Lessee, with three signatures required, two signatures will be those of the Trust Lands Administration and one of the Lessee's. Two signatures will be required to collect on the certificate of deposit. The certificate of deposit must be issued by an approved state or federally

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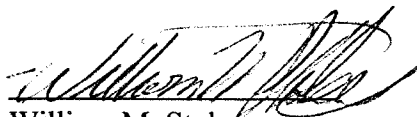
insured banking institution registered in Utah. The certificate must have a maturity date no greater than 12 months, be automatically renewable and be deposited with the Trust Lands Administration.

As the area to be mined has been previously disturbed the Trust Lands Administration will not require a cultural survey. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical, or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

Trust Lands Administration approval to commence exploration or mining does not alleviate the necessity to comply with the requirements of the Division of Oil, Gas and Mining. You must contact them and comply with their requirements before commencing with any exploration or development. The address of the Division of Oil, Gas and Mining is 1594 West North Temple, Suite # 1210, P. O. Box 145801, Salt Lake City, Utah 84114.

Thank you for your cooperation.

Sincerely,



William M. Stokes  
Minerals Resource Specialist

Tom Munson, DOGM